



Economic Development

Year-end Activity Summary 2015

Director's Message

Why Elk River?

Elk River has developed and grown a reputation as the light industrial hub of the Northwest metro.

Businesses have taken notice of our skilled workforce, efficient transportation access, pro-business climate, and area schools that actively collaborate with local companies to meet their workforce needs.

Elk River is dedicated to development and you can count on us to work hard for you by:

- Assisting existing businesses with their expansion and growth needs
- Assisting companies with relocation to Elk River
- Maintaining a “how do we get this done” culture, shared by elected leaders and city staff
- Seeking creative combinations of city and state financing tools

In 2015, the Elk River Economic Development Authority was featured in the *Business Xpansion Journal* in an article outlining our most recent development projects. The periodical has a reach of 75,000 print and digital subscribers.

Looking back at 2015, the Economic Development Division can proudly pause, and take a collective breath, recognizing the numerous development projects brought to fruition.

The local economy saw an upswing in single family and commercial and industrial permits which were the result of groundbreakings for Sportech, Inc., GATR Trucking, Inc., and Morrell Trucking facilities in Second Addition of Nature's Edge Business Center. We also saw a number of facility expansions including J&J Machine.

Private investment and reinvestment increased dramatically this past year with \$2.3 million in public investment resulted in over \$24.7million in private capital investment accounting for more than 161,700 square feet of new development.

Looking ahead, we continue to receive inquiries from various companies wanting to expand, relocate, or start new. Frequent requests seek large lots with public utilities, creating a demand to acquire more industrial land for development.

In 2016, we look forward to rolling out a new (fifth) Microloan program to further target and assist specific business types and diversify our tax base.

I am happy to say the future of Elk River looks bright!

Amanda Othoudt

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Come and grow with us!

Population

- City of Elk River: 23,346

Demographics

- Median Age: 35.7
- Homeownership: 80%
- Median Household Income: \$74,772
- Median Home Value: \$206,300

Top Industries and Employment

- Healthcare - 4,489
- Retail Trade - 3,225
- Manufacturing - 3,157
- Educational Services - 2,323
- Accommodation/Food - 1,878
- Construction - 1,771
- Public Administration - 1,566
- Transportation & Warehouse - 999
- Administrative Support - 972

Unemployment rate

- County - 4.2%
- Minnesota - 3.9%
- U.S. - 5.5%



The city utilized Property Tax Abatement Sportech to help construct a 105,000 sq. ft. manufacturing facility. Sportech also received a Job Creation Fund award from the Minnesota Department of Employment and Economic Development in the amount of \$175,000. Sportech, Inc. will hire 72 new full-time jobs over the course of five years and retaining over 204 jobs.



In July, the city provided Morrell Trucking a Property Tax Abatement to construct a 13,824 square foot facility complete with a wash facility, light duty maintenance and office space. They also received a \$200,000 Jobs Incentive Microloan. With the new facility, they were able to retain 105 employees and create 13 new full-time positions.



The city also assisted GATR Truck Center in the development of a 42,912 square foot facility. GATR has committed to creating eight full-time jobs in connection with the development.



J&J Machine continues to grow in their existing facility. They began a 26,000 square foot expansion to their existing facility earlier this year.



Distinctive Iron expanded their operations and relocated to a 13,000 square foot facility. They have committed to creating seven new full-time jobs over the next two years.

Working to Grow Our Local Economy

Business owners consider many factors when deciding where to locate or grow their companies. One reason many find Elk River attractive is it's Midwestern work ethic, focus on alternative energy, and public/private sector economic development partners eager to assist getting projects off the ground. Elk River EDA is proud to be one of those partners.



Sportech's Innovation Center sets high industry standard

The Economic Development division provides a variety of federal, state, regional, and local financing programs to meet the gap financing needs of new and growing businesses.

Sportech, Inc., is the most recent recipient of a \$111,155 forgivable loan. They utilized the proceeds to construct a state-of-the-art Innovation Center. This unique area is specifically designed to enhance creativity and promote collaboration within their new product development group.

The Innovation Center is home to their new product development group, a dynamic team of design engineers and industrial designers. The area features an open format with bullpen-style seating arrangements where designers are able to easily interact on projects.

Custom lighting, some trendy technical styling cues, and the assortment of cool power sports vehicles and memorabilia on display makes for a fun place to work.

The Sportech team is able to bring vehicles into the area for design work and pre-production fitment. The Innovation Center has a designated work area for their customers where they can set up their computers, spread out and easily collaborate with their design team. Chris Carlson, CEO of Sportech, Inc. says "We're very fortunate to have customers who enjoy coming to our facility to participate in the pre-production development process, and we wanted to create a space where they would feel at home with hopes that they'll want to return. We think we accomplished our goal as the feedback from our customers thus far has been overwhelmingly positive."



Economic Development Authority continues staking Elk Rivers business growth

The Elk River Economic Development Authority has continued assisting the city's business growth since it was established in 1987.

Business Name	Public Sector Investment	Jobs Created	Private Investment Attracted	Taxable Value Added	Square Foot of Building Added
Sportech, Inc.	\$1,288,589	72	\$8,407,740	\$216,383	105,000
GATR, Inc.	\$546,814	15	\$13,249,495	\$160,556	42,912
Morrell Trucking	\$321,609	8	\$2,180,545	\$35,311	13,824
Distinctive Iron	\$126,000	7	\$630,000	-	-
Envision Companies	\$111,155	4	\$263,088	-	-
TOTALS	\$2,394,167	106	\$24,730,868	\$411,250	161,736